

Exhibit A: Concept Co-Living Code Changes

Section 1. That Chapter 9 of the City Code is hereby amended by deleting those words within brackets and [stricken through] and adding those words that are underlined, to read as follows:

CHAPTER 9: HOUSING OPPORTUNITY AND PRESERVATION

ARTICLE 1: GENERAL PROVISIONS

§ 9.04 DEFINITIONS

BLOOMINGTON HOUSING AND REDEVELOPMENT AUTHORITY (HRA). The Housing and Redevelopment Authority in and for the City of Bloomington that was created by an act of the Legislature of the State of Minnesota entitled “Municipal Housing and Redevelopment Act” approved and in force April 23, 1947 and by Special Law, Chapter 616, 1971 as amended by Special Law, Chapter 344, 1977, and that operates as the city’s public housing agency and whose purposes include administration of a Section 8 Housing Choice Voucher and other public housing programs.

CO-LIVING DEVELOPMENT. A building or portion thereof containing co-living units. This use is not a congregate living facility or residential care facility as defined in 21.601.

CO-LIVING UNIT. A private living space that includes a bedroom, with or without private bathroom and cooking/dining areas, that has access to a shared cooking and other communal living space. Co-living units are typically leased on an individual basis and collectively do not constitute a dwelling.

DENSITY BONUS UNIT. A unit as a result of an increase in density permitted above the per acre limit established by the city code.

§ 9.06 OPPORTUNITY HOUSING REQUIREMENT.

(a) *New residential construction, regardless of type of dwelling unit.* For newly constructed, converted, or infill multi-family, co-living or townhome residential developments with 20 or more newly created dwelling or co-living units, at least 9% of the newly created units must be affordable to households at or below 60% of AMI. For newly constructed or infill single-family detached residential developments with 20 or more newly created dwelling or co-living units, at least 9% of the newly created units must be affordable to low income family households up to 115% AMI.

Note that these new definitions are still under review and subject to change.

§ 9.08 OFF-SITE.

(a) In consideration of and as a way of providing the developer with tools and flexibility to meet the requirements of this chapter, a developer may meet its opportunity housing requirement by the construction of opportunity housing units on a site different from the site of the residential development as follows:

(1) *For-sale residential development.* Off-site opportunity housing units equivalent to no less than 9% of the total dwelling or co-living units in the residential development must be made available for purchase at a housing cost to those households earning no more than 110% of the area median income.

(2) *Rental residential development.* Off-site rental opportunity housing units numbering no less than 9% of the total dwelling or co-living units in the residential development must be made available for rent with a housing mix of extremely low, very low and up to 60% AMI households.

§ 9.09 PAYMENT IN LIEU OF AFFORDABLE UNITS.

(d) If a developer chooses the in lieu payment, the fee in-lieu must be paid to the Affordable Housing Trust Fund, but the developer may assign the in lieu payment to another housing development when it is:

(1) To a development by the same developer that will include at least the sum amount of units that is no less than 9% of the total dwelling or co-living units in the developer's original housing development in addition to 11% of the total dwelling or co-living units in the proposed development, affordable to households at or below 60% AMI provided the development receives city final development plan approval within 24 months of issuance of building permit for the market rate development;

(2) To a development by different developer that will include at least the sum amount of units that is no less than 9% of the total dwelling or co-living units in the developer's original housing development in addition to 11% of the total dwelling or co-living units in the proposed development, affordable to households at or below 60% of AMI provided the development receives city final development plan approval within 24 months of issuance of building permit for the market rate development; or

ARTICLE III: AFFORDABLE HOUSING TOOLS AND INCENTIVES

§ 9.15 AFFORDABLE HOUSING TOOLS AND INCENTIVES.

(a) The developer of any of the following types of development that creates 20 or more total dwelling or co-living units or preserves 20 or more NOAH dwelling units is eligible to use any of the following affordable housing tools and incentives for which it qualifies:

§ 9.16.02 SITE AREA REDUCTION.

(a) To incentivize the creation of opportunity housing units, a residential development that includes at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI may reduce the required minimum site area as follows unless the City Council determines that the reduction is likely to create a specific adverse public health, safety, or welfare impact or would otherwise conflict with local, state, or federal regulations, rules, or laws:

§ 9.16.03 SITE WIDTH REDUCTION.

(a) To incentivize the creation of opportunity housing units, a residential development that includes at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI may reduce the required minimum site width as follows unless the City Council determines that the reduction is likely to create a specific adverse public health, safety, or welfare impact or would otherwise conflict with local, state, or federal regulations, rules, or laws:

§ 9.16.05 OPEN SPACE REDUCTION.

(a) To incentivize the creation of opportunity housing units, a residential development that includes at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI may reduce the required minimum usable open space as follows unless the City Council determines that the reduction is likely to create a specific adverse public health, safety, or welfare impact or would otherwise conflict with local, state or federal regulations, rules, or laws:

§ 9.18 HEIGHT BONUS.

(a) To incentivize the construction of a mixture of opportunity housing units for households at or below 60% of AMI, the developer of a multiple-family development with at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI qualifies for a height bonus of one additional story and 10 additional feet above the height limit set forward on the City's height limits map.

§ 9.19 PARKING REDUCTION.

(a) To incentivize the creation of opportunity housing units, a residential development with at least 9% of its total dwelling units affordable to households at or below 50% of AMI qualifies for car parking reductions provided that the development agreement required pursuant to § 9.35 affirms that the owner will not charge opportunity housing u

nits in the residential development for access to parking. Potential parking reduction incentives are based upon the level of affordability as follows:

| <i>Affordability provided:</i> | <i>Projects located in the Designated Transit Area, Tier I:</i> | <i>Projects located in the Designated Transit Area, Tier II:</i> | <i>Projects located outside a Designated Transit Area:</i> |
|--|--|---|---|
| 9% of <u>dwelling</u> units qualifying as very low or extremely low income | 15% | 10% | 5% |
| 20% of <u>dwelling</u> units qualifying as very low income | 25% | 20% | 10% |
| 50% of <u>dwelling</u> units qualifying as very low income or 20% of <u>dwelling</u> units qualifying as extremely low income | 35% | 30% | 15% |
| 100% of <u>dwelling</u> units qualifying as very low income or 50% of <u>dwelling</u> units qualifying as extremely low income | 45% | 40% | 20% |

(b) The car parking reductions provided in this section are not cumulative. Each qualifying development is eligible for only one parking reduction of 5% to 45% depending upon the level of affordability provided.

(c) In mixed use developments, potential parking reduction incentives may only be applied to the parking requirement created by the residential portion of the development.

(d) Opportunity housing dwelling units must have access to parking spaces that are comparable in quality and design to parking spaces accessible to market rate units. For example, if a development has enclosed and unenclosed parking spaces, the development agreement required pursuant to § 9.35 will affirm that the availability of enclosed and unenclosed parking spaces to opportunity housing dwelling units will be proportional to the availability of enclosed and unenclosed parking spaces to market rate units.

(e) If a development seeks a parking reduction incentive at or above 30%, the City Engineer or their designee may require a parking study, prepared by an independent traffic engineering professional, to help the City Council determine if the parking incentive reduction is appropriate for a particular development, or if it should be adjusted, when there is evidence that the proposed parking supply reduction may negatively impact the surrounding public roadway network or adjacent land uses.

(f) Co-living units. Co-living units are not eligible for car parking reductions in this section.

§ 9.22 ALTERNATIVE EXTERIOR MATERIALS ALLOWANCE.

(a) To incentivize the construction of opportunity housing units affordable to households at or below 60% of AMI, a residential development that includes at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI may use the alternative exterior materials of fiber cement, engineered wood, exterior insulation finishing system (EIFS), and 20 year warranty metals on façades not facing public streets where otherwise not allowed by the city code as follows:

§ 9.24 LANDSCAPE FEE IN-LIEU REDUCTION.

To incentivize the construction of opportunity housing units affordable to households at or below 60% of AMI, a residential development that includes at least 9% of its total dwelling or co-living units affordable to households at or below 60% of AMI may reduce the fee in lieu for providing landscaping on a constrained site, where such fee in lieu is approved by the city council, as follows: developments with 9% mix of its total units qualifying as extremely low or very low income opportunity housing units may reduce the fee by 100%.

§ 9.26 DEVELOPMENT FEE DEFERMENT.

(a) The city may consider development fee deferrals from the Affordable Housing Trust Fund for zoning application fees, building permit fees, park dedication fees, sewer availability charge (SAC) fees and related infrastructure fees to a qualifying development under the following circumstances:

(1) When a residential development includes more than the required 9% of its total dwelling or co-living units as opportunity housing affordable to households at or below 60% of AMI, when calculated before any applicable density bonus, the development may be eligible to defer up to the full amount of its development fees until 12 months after the development obtains its certificate of occupancy. The city will charge an annual interest of 5% during the deferral period.

(2) When a residential development includes at least a 20% of its total dwelling or co-living units as opportunity housing affordable to households at or below 60% of AMI, when calculated before any applicable density bonus, the development may be eligible to defer up to the full amount of its development fees until 24 months after the development obtains its certificate of occupancy. The city will charge an annual interest of 5% during the deferral period.

(b) The interest paid to the city during the deferral will be deposited into the Affordable Housing Trust Fund.

Section 2. That Chapter 21 of the City Code is hereby amended by deleting those words within brackets and [stricken through] and adding those words that are underlined, to read as follows:

CHAPTER 21: ZONING AND LAND DEVELOPMENT

ARTICLE II: DISTRICTS AND USES

DIVISION H: USES

§ 21.209 USE TABLES.

(c) Residential Zoning Districts.

| Use Type | Zoning District | | | | | | | | | References; See Listed Section |
|--------------------|-----------------|------|------|-----|-----|-------|-------|-------|--------|--------------------------------------|
| | R-1 | R-1A | RS-1 | R-3 | R-4 | RM-12 | RM-24 | RM-50 | RM-100 | |
| RESIDENTIAL | | | | | | | | | | |
| Dwellings | | | | | | | | | | |

| | | | | | | | | | | |
|--|----------|--|----------|--|----------|----------|----------|----------|----------|------------------|
| Multiple-family dwelling in single family zones in existence prior to January 26, 2015 | | | | | | | | | | |
| <u>Co-living within a single- or two-family dwelling</u> | <u>P</u> | | <u>P</u> | | <u>P</u> | | | | | <u>21.302.41</u> |
| <u>Co-living development</u> | | | | | <u>P</u> | <u>P</u> | <u>P</u> | <u>P</u> | <u>P</u> | <u>21.302.41</u> |
| Congregate Living | | | | | | | | | | |

(d) Neighborhood and Freeway Commercial Zoning Districts.

| Use Type | Zoning District | | | | | | | | | References; See Listed Section |
|--------------------|-----------------|-----|-----|-----|-----|-----|-----|-----|--|--------------------------------------|
| | B-1 | B-2 | B-4 | C-1 | C-2 | C-3 | C-4 | C-5 | | |
| RESIDENTIAL | | | | | | | | | | |

| Residences | | | | | | | | | |
|------------------------------|--|--|----------|--|----------|----------|----------|----------|---------------------------------------|
| Multiple-family residence | | | P | | P | P | P | P | 21.302.02 |
| Townhouse/rowhouse | | | P | | P | P | P | P | 21.302.02 |
| <u>Co-living development</u> | | | <u>P</u> | | <u>P</u> | <u>P</u> | <u>P</u> | <u>P</u> | <u>21.302.02,</u> <u>21.302.41</u> |
| Other Residential | | | | | | | | | |

ARTICLE III: DEVELOPMENT STANDARDS

DIVISION A: GENERAL STANDARDS

§ 21.301.06 PARKING AND LOADING.

(d) *Number of off-street parking spaces required.*

(1) The minimum number of off-street parking spaces provided within a development must meet the provisions of this subsection (d), varying by land use as provided in the following table. If more than one land use is present on a site, the required parking is determined by adding together the required number of parking spaces for each use.

If the number of off-street parking spaces results in a fraction, each fraction of one-half or more will constitute another space required. A lesser number of constructed off-street parking spaces may be allowed through flexibility measures (see subsection (e) below). The requirements for off-street surface parking space dimensions are set forth in subsection (c) above.

| Minimum Off-Street Parking Requirements | | |
|--|--|--|
| RESIDENTIAL | | |
| Single-family | | 2 spaces per dwelling unit, 1 of which must be fully enclosed within a garage (for construction after June 1, 2015) or area that could be occupied by a garage (for construction before June 1, 2015) (carports are not considered fully enclosed) |
| Two-family | | 2 spaces per dwelling unit, 1 of which must be fully enclosed within a garage (carports are not considered fully enclosed) |
| Townhouse /rowhouse | One bedroom | 2.2 spaces per dwelling unit |
| | Two bedroom | 2.6 spaces per dwelling unit |
| | Three bedroom | 3.0 spaces per dwelling unit |
| | Four bedroom | 3.4 spaces per dwelling unit |
| | | Of which 1 space per unit must be within a fully enclosed garage, and where party room space is provided, an additional 1 space per 100 square feet of party room is required; guest parking spaces must be appropriately provided and dispersed throughout the development, subject to approval of the issuing authority |
| Multiple-family residence | One bedroom and efficiency units | 1.6 spaces per dwelling unit |
| | Two or more bedrooms | 2.0 spaces per dwelling unit |
| | Additional requirements for units of all sizes | Of the above requirements, at least 1 space per unit must be within a fully enclosed garage or covered within a structured parking ramp; guest parking spaces must be appropriately provided and dispersed throughout the development, subject to approval of the issuing authority, 1 space per 50 units must be equipped with a Charging Level 2 electric vehicle charger or higher. |
| <u>Co-living development</u> | | <u>0.5 spaces per co-living unit</u> |

DIVISION B: USE STANDARDS

§ 21.302.41 CO-LIVING.

(a) Purpose. The following standards are applicable to co-living units and development.

(b) Review and approval. Co-living units must receive either final site and building plan approval or final development plan approval prior to issuance of a building permit.

(c) Performance standards.

(1) Building code compliance. All co-living developments must comply with the Minnesota State Building Code, including but not limited to fire resistance, sound insulation standards, and minimum floor area requirements for sleeping, cooking, and living spaces.

(2) Co-living within a single- or two-family dwelling. Co-living units may only be established within a single-family dwelling or two-family dwelling when in compliance with:

(A) Maximum occupancy and family size requirements per dwelling; and

(B) All city code requirements for single- and two-family dwellings, including, but not limited to, site area, setback, height, impervious surface, off-street parking, and accessory structure standards.

(3) Co-living development.

(A) Density calculation and open space requirements. For the purposes of calculating residential density and open space requirements for a co-living residence, three co-living units are equal to one dwelling unit with fractions rounded up.

(B) Dedicated bicycle parking. Bicycle parking must be provided at a rate of one space per four co-living units, 90 percent of which must be designed for long-term use.

(C) Compliance with other sections. Co-living developments must meet applicable standards within the city code, including but not limited to:

(i) Sidewalks (§ 21.301.04);

(ii) Parking (§ 21.301.06);

(iii) Exterior lighting (§ 21.301.07);

(iv) Height (§ 21.301.10);

(v) Landscaping (§ 21.301.15);

(vi) Exterior storage (§ 21.301.16); and

(vi) Refuse and recycling (§ 21.301.17).

(4) Storm water management. Site must meet the requirements of Chapter 16 of the city code and the city's comprehensive surface water management plan for storm water management, erosion control, and wetlands.

§ 21.601 DEFINITIONS.

Note that the co-living definitions are still under review and subject to change.

CONGREGATE LIVING FACILITY. A type of housing in which occupants share a common dining room, recreational room, food service or other facilities, including but not limited to boarding houses, lodging houses, assisted living facilities, shelters and convents. A **CONGREGATE LIVING FACILITY** does not include bed and breakfasts, resorts, vacation homes, crash pads, hostels, multiple-family dwellings, temporary pandemic response housing, co-living developments, or other uses separately defined.

CO-LIVING DEVELOPMENT. A building or portion thereof containing co-living units. This use is not a congregate living facility or residential care facility as defined in 21.601.

CO-LIVING UNIT. A private living space that includes a bedroom, with or without private bathroom and cooking/dining areas, that has access to a shared cooking and other communal living space. Co-living units are typically leased on an individual basis and collectively do not constitute a dwelling.

FAMILY. Six or fewer adults and minor children in their care, living together in a dwelling unit. [One or more persons related by blood, marriage or adoption, including foster children and domestic partners and civil unions recognized under Minnesota law, or a group of not more than four persons (excluding personal care attendants, in accordance with Minnesota Rules Rule 9505.0335), occupying a dwelling unit.]